

Message Text

CONFIDENTIAL

PAGE 01 CARACA 11317 311526Z

436

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 734

INFO AMEMBASSY BOGOTA IMMEDIATE

C O N F I D E N T I A L CARACAS 11317

EXDIS

BOGOTA FOR LUERS

E.O. 11652: GDS

TAGS: ENRG, VE

SUBJECT: OIL REVERSION - CHEVRON

REF: CARACAS 11203

1. RONALD KITCH, CARACAS OFFICE MANAGER AND CHEVRON OIL OF VENEZUELA VICE PRESIDENT, CALLED THE EMBASSY OCTOBER 31 TO APOLOGIZE FOR BEING OUT OF CONTACT WITH US FOR THE PAST TWO DAYS. KITCH EXPLAINED THAT THE COMPANY HAD WORKED NON-STOP OVER THIS PERIOD TO RESOLVE THE PROBLEM WITH THE GOV CONCERNING THE LANGUAGE OF THE COMPANY'S LETTER ACCEPTING THE COMPENSATION OFFER. SOCAL DID NOT SEND A DIRECTOR TO VENEZUELA AS REQUESTED BY THE MINES MINISTER, BUT KITCH STATED THAT THE TELEPHONE LINE WAS KEPT OPEN PRACTICALLY ALL NIGHT WITH SAN FRANCISCO AFTER THE MINISTER DELIVERED HIS 72 HOUR ULTIMATUM.

2. KITCH TOLD US THAT THE PROBLEM HAS BEEN RESOLVED (PRESUMABLY BY CHEVRON SUBMITTING A REVISED ACCEPTANCE LETTER), AND THAT THE COMPANY HAD INITIALED A TECHNICAL ASSISTANCE AGREEMENT AT THE SAME TIME. HE CONFIRMED THAT THE GOV HAD GIVEN "A LITTLE MORE", BUT DID NOT ELABORATE OVER THE PHONE.

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3. THE CHEVRON VENEZUELA PRESIDENT, E.E. HAGAN, HAS

RETURNED TO HIS MARACAIBO OFFICE, BUT WILL BE BACK IN
CARACAS NEXT WEEK AND WILL BRIEF THE AMBASSADOR ON THE
COMPANY SITUATION THEN.

4. COMMENT. WITH THE RESOLUTION OF THE CHEVRON PROBLEM,
ALL COMPANIES ARE CONSIDERED BY THE MINES MINISTER TO HAVE
RESPONDED IN A SATISFACTORY MANNER TO THE COMPENSATION
OFFER. WE WILL BE REPORTING DETAILS ON RESPONSES BY GULF,
SUN, ARCO AND OTHES WHO STILL HAVE MATTERS TO RESOLVE
WITH THE GOV ALTOUGH THEY HAVE ACCEPTED THE COMPENSATION
OFFER.
END COMMENT.
SHLAUDEMAM

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Message Attributes

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